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**First Supplemental Indenture**

between

ALASKA STUDENT LOAN CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

Dated as of March 1, 2005

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## **FIRST SUPPLEMENTAL INDENTURE**

THIS FIRST SUPPLEMENTAL INDENTURE, made and entered into as of March 1, 2005, by and between the ALASKA STUDENT LOAN CORPORATION, a public corporation and government instrumentality created and existing under the laws of the State of Alaska (herein called the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States, as Trustee (herein called the "Trustee").

### **W I T N E S S E T H:**

WHEREAS, the Corporation and U.S. Bank National Association entered into an Indenture dated as of March 1, 2005 (the "Indenture") to secure issues of the Corporation's Student Loan Revenue Bonds; and

WHEREAS, under the terms of the Indenture, the Corporation and the Trustee may enter into a supplemental indenture from time to time to authorize the issuance of a Series of the Corporation's State Projects Revenue Bonds; and

WHEREAS, it is the purpose of this First Supplemental Indenture to authorize the issuance of the Corporation's State Projects Revenue Bonds, 2005 Series A, in the aggregate principal amount of \$88,305,000 (the "Series A Bonds"); and

WHEREAS, the Corporation is authorized to issue its Series A Bonds for the purpose, among other things, of funding State Projects; and

WHEREAS, all conditions, things, and acts required by the Constitution and statutes of the State of Alaska to exist, happen, and be performed precedent to and in connection with the issuance of the Series A Bonds exist, have happened, and have been performed in due time, form, and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Series A Bonds for the purpose, in the manner, and upon the terms herein and in the Indenture provided; and

WHEREAS, in order to provide for the authentication and delivery of the Series A Bonds, to establish and declare the terms and conditions upon which the Series A Bonds are to be issued and secured, and to secure the payment of the principal thereof and of the interest thereon, the Corporation has authorized the execution and delivery of this Supplemental Indenture; and

WHEREAS, the Series A Bonds and the Trustee's certificate of authentication are to be in substantially the following forms with such insertions or variations as to any redemption or amortization provisions and interest rate provisions, and with such other

necessary or appropriate variations, omissions, and insertions, as the Corporation's Chair or Executive Officer may approve and as may be permitted or required by the Indenture or this First Supplemental Indenture:

[FORM OF BOND]

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to [Paying Agent, City, State], or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

Maturity Date: \_\_\_\_\_ 1, \_\_\_\_  
Interest Rate: \_\_\_\_\_ %  
Principal Amount: \$ \_\_\_\_\_

No. R-\_\_\_\_\_  
CUSIP No.: \_\_\_\_\_

**ALASKA STUDENT LOAN CORPORATION**

**STATE PROJECTS REVENUE BONDS**

**2005 Series A**

Alaska Student Loan Corporation (hereinafter called the "Corporation"), a public corporation and government instrumentality of the State of Alaska (herein called the "State") created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay, but solely from the revenues and assets pledged therefor pursuant to the hereinafter defined Indenture, to CEDE & Co., or registered assigns, the principal amount specified above on the maturity date specified above, upon the presentation and surrender hereof, and to pay interest on said principal sum, but solely from the aforementioned pledged revenues and assets, to the registered owner of this Bond from March 30, 2005, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the Corporation's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above, payable July 1, 2005, and semi-annually thereafter on the first day of July and on the first day of January (the "Interest Payment Dates"). The principal of this Bond is payable when due upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota, as Trustee, or as otherwise directed by the Trustee. Interest on this Bond shall be paid by mailing a check on the Interest Payment Date for such interest payable to or upon the written order of the person entitled thereto (such person being the holder of record on the Record Date, as defined below, applicable to

such Interest Payment Date) at such person's address as it appears on the bond register of the Corporation; provided, however, that the registered owner of this Bond may request payment of interest at the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota, on any Interest Payment Date if such registered owner notifies the Trustee in writing not later than 30 days before such Interest Payment Date of such registered owner's election to so receive such payment of interest; and provided, further, that the registered owner of \$1,000,000 or more in principal amount of the Series A Bonds shall be paid interest by wire transfer to an account in the United States if such registered owner makes a written request to the Trustee at least 30 days before the Interest Payment Date on which such wire transfer payments are to begin, specifying the account address; provided, however, that while this Bond is held in a Book Entry System, principal of and interest on this Bond shall be paid as provided in the hereinafter described First Supplemental Indenture. Interest on this Bond will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Payment shall be made in lawful money of the United States of America.

This Bond is one of the Bonds of the Corporation designated "Alaska Student Loan Corporation, State Projects Revenue Bonds, 2005 Series A" (herein called the "Bonds"), authorized to be issued under and pursuant to Sections 100 -- 390 of Chapter 42 of Title 14 of the Alaska Statutes, as amended (herein called the "Act"), and an Indenture by and between the Corporation and U.S. Bank National Association, as Trustee, (said Trustee thereto under the Indenture and the First Supplemental Indenture herein called the "Trustee") dated as of March 1, 2005, and the First Supplemental Indenture by and between the Corporation and the Trustee dated as of March 1, 2005 (herein called the "Indenture" and the "First Supplemental Indenture", respectively) which together set forth the terms upon which the Bonds are issued and describe the security therefor. Unless otherwise defined herein, capitalized words used herein shall have the meaning assigned to them in the Indenture or First Supplemental Indenture.

The Record Date in respect of any Interest Payment Date on this Bond shall be the 15th day of the month immediately preceding such Interest Payment Date, regardless of whether such day is a Business Day.

The Bonds are issued in the aggregate principal amount of \$88,305,000 under the Indenture and First Supplemental Indenture in denominations of \$5,000 and any integral multiple thereof, in fully registered form only. Copies of the Indenture and First Supplemental Indenture are on file at the office of the Corporation in Juneau, Alaska, and at the corporate trust office of the Trustee, and reference to the Indenture and the First Supplemental Indenture and any and all supplements, modifications, and amendments to either of them and to the Act is made for a description of the pledges and covenants securing the Bonds, the nature, extent, and manner of enforcement of

such pledges, the rights and remedies of the registered owners of the Bonds with respect thereto, and the terms and conditions upon which the Bonds have been issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any indenture amendatory thereof or supplemental thereto (including the First Supplemental Indenture) may be modified or amended by the Corporation. The holder of this Bond shall have no right to enforce the provisions of the Indenture or the First Supplemental Indenture, to institute action to enforce the provisions of the Indenture or the First Supplemental Indenture, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture and the First Supplemental Indenture. In certain events, on the conditions, in the manner, and with the effect set forth in the Indenture and the First Supplemental Indenture, all or part of the principal of the Bonds, with accrued interest thereon, may become or may be declared due and payable before the maturity thereof.

The Bonds are not transferable when held in the Book Entry System except out of the Book Entry System under the conditions described in the First Supplemental Indenture. This Bond is transferable, as provided in the Indenture, only upon the bond register of the Corporation kept by the Trustee, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Indenture and upon the payment of charges, if any, as therein prescribed. The Corporation and the Trustee may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a special, limited obligation of the Corporation payable solely from revenues and assets pledged under the Indenture and any supplemental indentures (including, but not limited to, the First Supplemental Indenture) adopted under the Indenture. The Bonds do not constitute a debt, liability, or other obligation of the State or of any political subdivision of the State other than the Corporation. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof (including the Corporation) is pledged to the payment of the principal of or interest on the Bonds. The Corporation has no taxing power.

This Bond is not subject to redemption prior to its scheduled maturity.

Neither the members of the Corporation nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture or the First Supplemental Indenture until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State and the Indenture and the First Supplemental Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond exist, have happened, and have been performed in due time, form, and manner as required by law and that the issue of the Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Student Loan Corporation has caused this Bond to be executed in its name by the manual signature of its Chair or Executive Officer, attested by the manual signature of an Authorized Officer, and its corporate seal to be affixed, imprinted, engraved, or otherwise reproduced hereon.

ALASKA STUDENT LOAN CORPORATION

[SEAL]

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Authorized Officer

#### TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned First Supplemental Indenture and is one of the State Projects Revenue Bonds, 2005 Series A, of the Alaska Student Loan Corporation.



U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

Date of Authentication:

\_\_\_\_\_

and

WHEREAS, all acts and proceedings required by law necessary to make the Series A Bonds, when executed and duly issued by the Corporation and authenticated and delivered by the Trustee, the valid, binding, and legal obligations of the Corporation and to constitute the Indenture and this First Supplemental Indenture a valid and binding agreement for the uses and purposes therein and herein set forth, in accordance with their terms, have been done and taken; and the execution and delivery of the Indenture and this First Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest on, all Series A Bonds at any time issued and outstanding under this First Supplemental Indenture, according to their tenor, and to secure the performance and observance of all the covenants therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series A Bonds are to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series A Bonds by the holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the benefit of the respective holders from time to time of the Series A Bonds, as follows:

## ARTICLE I DEFINITIONS

Section 101 - Definitions. In this First Supplemental Indenture, unless the context otherwise requires, the following words and terms shall have the meanings set forth in this Section:

"Beneficial Owner" shall mean either the person in whose name a Series A Bond is recorded as the beneficial owner of such Series A Bond by the respective systems

of DTC Participants or, if the Series A Bond is not then registered in the name of Cede & Co. and held in the Book Entry System, the Bondholder of the Series A Bond.

"Book Entry System" shall mean the system in which the Series A Bonds (represented by one Series A Bond certificate for each maturity of the Series A Bonds) are delivered into the possession of DTC and are issued and fully-registered as to principal and interest in the name of Cede & Co., and whereby beneficial interests in the Series A Bonds are purchased by investors through DTC Participants, such interests shown and transfers thereof effected only through the records maintained by the respective DTC Participants from whom each such investor acquired such beneficial interest.

"Bond Insurer" shall mean Financial Security Assurance Inc., a New York Stock insurance company, or any successor thereto or assignee thereof.

"Capital Reserve Fund Requirement" shall mean, at any time, Eligible Capital Reserve Assets in a principal amount equal to the least of the following amounts: (1) 10% of the stated principal amount of the Series A Bonds; (2) 125% of average annual principal and interest payments required for the Series A Bonds; or (3) the maximum annual principal and interest required for the Series A Bonds.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series A Bonds.

"Closing Date" shall mean March 30, 2005.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate between the Corporation and the Trustee dated March 30, 2005, as originally executed and as it may be amended from time to time in accordance with its terms.

"DTC" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"DTC Participants" shall mean trust companies, banks, brokers, dealers, clearing corporations, and certain other organizations that are participants of DTC.

"Eligible Capital Reserve Assets" shall mean (i) cash, (ii) Investment Securities, (iii) a non-cancelable surety bond issued by an insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation

acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such surety bond, is rated in the highest rating category by any Rating Agency and if the Corporation files with the Trustee a Rating Confirmation reflecting such surety bond, and (iv) an irrevocable letter of credit issued by a financial institution which maintains an office, agency or branch in the United States and, as of the time of issuance of such letter of credit, is rated in one of the two highest long-term rating categories by one or more of the Rating Agencies, but only if the Corporation files with the Trustee a Rating Confirmation reflecting such letter of credit.

"Indenture" shall mean the Indenture between the Corporation and U.S. Bank National Association, as Trustee, dated as of March 1, 2005, and securing the Corporation's State Projects Revenue Bonds.

"Interest Payment Date" shall mean each January 1 and each July 1, commencing with July 1, 2005.

"Investment Securities" for all purposes other than (i) investments in escrow accounts and (ii) investing, and receiving credit for, accrued and capitalized interest shall mean:

- (a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;
- (b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America:
  - Export-Import Bank
  - Farm Credit System Financial Assistance Corporation
  - Rural Economic Community Development Administration (formerly known as Farmers Home Administration)
  - General Services Administration
  - U.S. Maritime Administration
  - Small Business Administration
  - Government National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development (PHA's)
  - Federal Housing Administration
  - Federal Financing Bank;
- (c) Senior debt obligations rated "AAA" by Standard & Poor's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, obligations of the Resolution Funding Corporation

(REFCORP), senior debt obligations of the Federal Home Loan Bank System, and senior debt obligations of any government sponsored agencies approved by Financial Security Assurance Inc.;

- (d) U.S. Dollar denominated deposit accounts, federal funds, and bankers' acceptances with domestic commercial banks (including any affiliate of the Trustee) which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and maturing no more than 360 days after the date of purchase (for purposes of this definition, the rating of a holding company shall not be considered the rating of any bank held by such holding company);
- (e) Commercial paper which is rated at the time of purchase "A-1+" by Standard & Poor's and which matures not more than 270 days after the date of purchase;
- (f) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's, including money market funds from which the Trustee or its affiliate derives a fee for investment advisory or other services to the fund;
- (g) Pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Standard & Poor's; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

- (h) general obligations of states with a rating of at least "A2/A" or higher by Standard & Poor's.
- (i) Repurchase agreements for 30 days or less provided the following criteria are met:
  - (i) the agreement must be between the Corporation, the Trustee, or third party acting as agent for the Corporation or the Trustee, and a dealer bank or securities firm, which may only include:
    - 1) primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or
    - 2) banks rated "A" or above by Standard & Poor's and Moody's;
  - (ii) the written contract must include the following:
    - 1) securities which are acceptable for transfer are Investment Securities described in (a), (b) and (c) above;
    - 2) the term of the agreement may be up to 30 days;
    - 3) the collateral must be delivered to the Corporation, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee before or simultaneously with payment;
    - 4) the securities must be valued weekly, marked-to-market at current market price plus accrued interest; the value of the collateral must be equal to 104% of the amount of cash transferred by the Corporation or the Trustee to the dealer bank or security firm under the agreement plus accrued interest; if the value of the securities held as collateral is, at any time, below 104% of the value of the cash transferred by the Corporation or the Trustee, then additional cash or acceptable securities (as described in (ii)(1) of this paragraph) must be transferred; if, however, the securities used as collateral are FNMA or FHLMC obligations, then the value of collateral must equal 105%; and

- (iii) the Corporation or the Trustee must receive a legal opinion stating that the form of the agreement, which shall be attached to such opinion, meets guidelines under State law for legal investment of public funds; provided, however, that the opinion described in this clause (iii) is required to be delivered only on the date of issuance of the Bonds and on the date the Corporation or Trustee enters into a repurchase agreement that is in a form materially different from the form for which an opinion has previously been given pursuant to this clause (iii)."
- (j) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by Standard & Poor's and "Aa" by Moody's; provided that, by the terms of the investment agreement:
  - (i) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;
  - (ii) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Corporation and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
  - (iii) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
  - (iv) the Corporation or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Corporation and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its

terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Bond Insurer;

- (v) the investment agreement shall provide that if during its term:
  - 1) the provider's rating by either Standard & Poor's or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Corporation, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and
  - 2) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Corporation or the Trustee (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Corporation or Trustee, and
- (vi) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
- (vii) the investment agreement must provide that if during its term:
  - 1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement

shall, at the direction of the Corporation or the Trustee (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Corporation or Trustee, as appropriate, and

- 2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Corporation or Trustee, as appropriate.

If Additional Bonds are issued and Investment Securities are defined differently in the supplemental indenture or Indenture, then only those investments appearing in both or all definitions shall be Investment Securities.

"Letter of Instructions" shall mean a letter of instructions from the Corporation to the Trustee, accompanied by an opinion of Bond Counsel to the effect that compliance with the provisions of such Letter of Instructions (or amendment or supplement thereto) is necessary under Section 148 of the Code and Regulations adopted thereunder.

"Letter of Representations" shall mean the Blanket Issuer Letter of Representations dated July 26, 1995, from the Corporation to DTC, which shall be the binding obligation of the Corporation.

"Municipal Bond Insurance Policy" shall mean the municipal bond insurance policy issued by Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series A Bonds when due.

"Payment Date" shall mean any Interest Payment Date and any other date on which a payment of principal of or interest on the Series A Bonds is due hereunder or under the Indenture.

"Purchasers" shall mean RBC Dain Rauscher Inc. and the other underwriters, if any, identified in the Bond Purchase Agreement dated March 22, 2005, relating to the sale of the Series A Bonds.

"Record Date" shall mean, with respect to any Interest Payment Date for the Series A Bonds, the 15th day of the month preceding such Interest Payment Date, regardless of whether such day is a Business Day.



"Regulations" shall mean the regulations adopted under the Code.

"Series A Bonds" shall mean the Corporation's \$88,305,000 State Projects Revenue Bonds, 2005 Series A.

"Standard & Poor's" shall mean Standard & Poor's Ratings Group or any successor thereto.

"Supplemental Indenture" shall mean this First Supplemental Indenture.

Unless otherwise expressly provided herein, capitalized terms used herein shall have the meanings assigned to them in the Indenture.

Section 102 - Conflict with Indenture. In the event of a conflict between the provisions of this Supplemental Indenture and the Indenture or any other supplemental indenture, the provisions of this Supplemental Indenture shall govern for so long as any of the Series A Bonds remain Outstanding (except as may be otherwise provided herein).

## ARTICLE II AUTHORIZATION, TERMS AND ISSUANCE

Section 201 - Authorization, Principal Amount, Designation, and Series; Creation of Funds and Accounts. A Series of State Projects Bonds (denominated the "Series A Bonds") is hereby authorized to be issued in the aggregate principal amount of \$88,305,000. The Corporation has ascertained and hereby determines and declares that the issuance of the Series A Bonds is authorized by the Act and is necessary or convenient to carry out the powers and duties expressly provided by the Act and to carry out and effectuate the purposes of the Corporation in accordance with the Act. In addition to the title "State Projects Revenue Bond" the Series A Bonds shall bear the additional designation "2005 Series A" after said title, and each as so designated shall be entitled "State Projects Revenue Bond, 2005 Series A" the Corporation hereby designates the Series A Bonds as Class 1 Bonds. The Series A Bonds may be issued only in fully registered form. There is hereby created in connection with the issuance of the Series A Bonds the 2005 Series A State Projects Account within the State Projects Fund and the 2005 Series A Pledged Loans Account within the Pledged Loans Fund, each of said accounts to be maintained and used in accordance with the Indenture and this Supplemental Indenture.

Section 202 - Purposes. The Series A Bonds are being issued for the purpose of funding State Projects.

Section 203 - Date of Series A Bonds. The Series A Bonds shall be dated March 30, 2005.

Section 204 - Maturities and Interest Rates; Other Terms. (A) The Series A Bonds shall mature on January 1 and July 1 of the following years in the principal amounts set forth opposite each such date, and the Series A Bonds maturing on each such date shall bear interest from March 30, 2005, or from the most recent Interest Payment Date to which interest has been paid, payable semi-annually on each Interest Payment Date, commencing July 1, 2005, at the rate set opposite such date in the following table:

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
January 2006	\$6,305,000	5.00%
July 1, 2006	6,000,000	5.00
January 1, 2007	6,000,000	5.00
July 1, 2007	6,000,000	5.00
January 1, 2008	5,500,000	5.00
July 1, 2008	5,500,000	5.00
January 1, 2009	5,500,000	5.00
July 1, 2009	5,000,000	5.50
January 1, 2010	5,000,000	5.00
July 1, 2010	5,000,000	5.50
January 1, 2011	5,000,000	5.00
July 1, 2011	4,500,000	5.00
January 1, 2012	4,500,000	5.25
July 1, 2012	4,250,000	5.25
January 1, 2013	4,250,000	5.25
July 1, 2013	4,000,000	5.25
January 1, 2014	3,000,000	5.25
July 1, 2014	3,000,000	5.25

Interest on the Series A Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(B) The Series A Bonds will be secured by Credit Enhancement in the form of the Municipal Bond Insurance Policy and will not include any tender or put options.

Section 205 - Denominations, Numbers, and Letters. The Series A Bonds maturing in each year shall initially be issued in global book entry form registered in the name of Cede & Co., as nominee for DTC, and, subject to Section 208, may thereafter be issued in fully registered form in denominations of \$5,000, or any whole multiple thereof not exceeding the aggregate principal amount of Series A Bonds maturing in

such year. The Series A Bonds shall be numbered separately from 1 consecutively upwards in such order as the Trustee in its discretion shall determine.

Section 206 - Paying Agents; Method of Payment. (A) The Trustee is hereby appointed the Paying Agent for the Series A Bonds pursuant to Section 1102 of the Indenture.

(B) While the Series A Bonds are held in the Book Entry System, payment of principal thereof and interest thereon shall be made by wire transfer of same day funds or in such other manner as permitted by the Letter of Representations to the account of Cede & Co. on the Payment Date at the address indicated for Cede & Co. in the bond register kept by the Trustee.

(C) While the Series A Bonds are not held in the Book Entry System, principal of and interest on the Series A Bonds shall be paid by mailing a check on the Payment Date on which such principal or interest is due, payable to or upon the written order of the Bondholders, as of each Record Date, of the Series A Bonds at their addresses as they appear on the bond register; provided, however, that (i) any such Bondholder may request such payment in person at the principal corporate trust office of the Trustee on any Payment Date if such Bondholder notifies the Trustee in writing not later than 30 days before such Interest Payment Date of such Bondholder's election so to receive such payment of interest; and (ii) a registered owner of \$1,000,000 or more in principal amount of the Series A Bonds shall be paid interest by wire transfer to an account in the United States if such Bondholder makes a written request to the Trustee at least 30 days before the Interest Payment Date on which such wire transfer payments are to begin specifying the account address.

(D) All payments under (B) or (C) of this Section shall be accompanied by CUSIP number identification (with appropriate dollar amount of payment pertaining to each CUSIP number in case there is more than one CUSIP number in connection with a payment) for the Series A Bonds to which the payment pertains. Payment of principal of the Series A Bonds under (B) or (C) of this Section shall be made when due upon presentation and surrender of the Series A Bonds to which such payment pertains at the principal corporate trust office of the Trustee in St. Paul, Minnesota, or at such other location as directed by the Trustee.

(E) For purposes of Section 503(C), paragraph Fourth, of the Indenture, in determining the amounts to be paid into the Principal Account pursuant to said paragraph, principal of the Series A Bonds shall be deemed to accrue each month in an amount equal to the principal amount of the Series A Bonds scheduled to mature on the next maturity date as set forth in Section 204(A) divided by the number of whole months between the month in which such deposit is to be made and the said maturity date (inclusive of both such months).

Section 207 - Redemption. The Series A Bonds are not subject to redemption prior to their respective scheduled maturities.

Section 208 - Book Entry Series A Bonds. (A) So long as the Series A Bonds are held in the Book Entry System the holder of all of the Series A Bonds shall be DTC, and the Series A Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Letter of Representations is incorporated herein by reference.

(B) The Series A Bonds shall be initially issued in the form of a single fully registered certificate in the amount of each separate stated maturity of the Series A Bonds. Upon initial issuance, the ownership of such Series A Bonds shall be registered in the registry books of the Corporation kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the Corporation may treat DTC (or its nominee) as the sole and exclusive holder of the Series A Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Series A Bonds, selecting the Series A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Indenture or this Supplemental Indenture, registering the transfer of Series A Bonds, and obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. Neither the Trustee nor the Corporation shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Series A Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books kept by the Trustee as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any DTC Participant, the payment by DTC or any DTC Participant of any amount in respect of the principal or Redemption Price of or interest on the Series A Bonds; any notice permitted or required to be given to Bondholders under this Indenture; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Series A Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay from moneys available hereunder all principal of and premium, if any, and interest on the Series A Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in the State), and all such payments shall be valid and effective to fully satisfy and discharge the Corporation's obligations with respect to the principal of and premium, if any, and interest on the Series A Bonds to the extent of the sum or sums so paid. So long as the Series A Bonds are held in the Book Entry System, no person other than DTC shall receive an authenticated Series A Bond certificate. Upon delivery by DTC to the Trustee of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of the Indenture and this Supplemental Indenture with respect to transfers of Series A Bonds, the term "Cede & Co." in this Supplemental Indenture shall refer to such new nominee of DTC.

Section 209 - Delivery of Series A Bond Certificates. At any time, the Corporation may notify DTC and the Trustee, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series A Bond certificates. In such event, the Trustee shall issue, transfer, and exchange, at the Corporation's expense, fully registered Series A Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series A Bonds at any time by giving written notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if no successor securities depository is appointed by the Corporation), the Corporation and the Trustee shall be obligated to deliver Series A Bond certificates as described in the Indenture and this Supplemental Indenture, provided that the expenses in connection therewith shall be paid by the Corporation. In the event Series A Bond certificates are issued, the provisions of the Indenture and this Supplemental Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and premium, if any, and interest on such certificates. Whenever DTC requests the Corporation to do so, the Corporation will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the Series A Bonds to any DTC Participant having Series A Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series A Bonds.

### ARTICLE III EXECUTION AND DELIVERY

Section 301 - Execution. The Series A Bonds shall be executed by the manual or facsimile signature of the Chair, Executive Officer, or Finance Officer of the Corporation, with such signature attested by the manual or facsimile signature of an Authorized Officer, and the seal of the Corporation (or a facsimile thereof) shall be affixed, engraved, imprinted, or otherwise reproduced thereon.

Section 302 - Delivery. After their execution as hereinabove provided, the Series A Bonds to be delivered to the Purchasers shall be authenticated by the Trustee and, upon satisfaction of the conditions contained in the Indenture, shall be delivered to the Purchasers.

### ARTICLE IV DISPOSITION OF PROCEEDS

Section 401 - Series A State Projects Account; Capital Reserve Fund. Upon receipt of the proceeds of sale of the Series A Bonds, the Corporation shall deposit (i) all of said proceeds in the Series A State Projects Account, and (ii) Eligible Capital Reserve Assets in an amount at least equal to the Capital Reserve Requirement in the

Capital Reserve Fund. The Corporation may, at any time, satisfy the Capital Reserve Requirement by depositing into the Capital Reserve Fund, either in addition to other assets then in the Capital Reserve Fund or in replacement thereof, Eligible Capital Reserve Assets.

Section 402 - [RESERVED].

Section 403 - Application of Proceeds. The Trustee shall apply amounts in the Series A State Projects Account at the direction of the Corporation (a) to the payment of reasonable and necessary costs of issuance of the Series A Bonds and (b) to the payment of costs of Series A State Projects.

ARTICLE V  
TAX MATTERS

Section 501 - Rebate Procedures. (A) For purposes of complying with the arbitrage rebate requirements of Section 148 of the Code and Section 1.148-3 of the Regulations, the Corporation or its designee shall calculate rebatable arbitrage in accordance with this Section and shall assure payment, or shall direct the Trustee to pay (but, with respect to the Trustee, only from amounts in Funds and Accounts as provided in the Indenture or this Supplemental Indenture or, if such amounts are insufficient or unavailable for such purpose, from amounts delivered for such purpose to the Trustee from the Corporation), such rebatable arbitrage to the United States in accordance with this Section. The Trustee shall not be responsible for calculating rebate amounts, for the adequacy or correctness of any rebate reports, or for enforcing compliance with rebate filing or reprinting requirements.

(B) The Corporation shall calculate and pay, or cause to be paid, the rebatable arbitrage described in (A) of this Section in the manner, at the times, and otherwise in accordance with the procedures set forth in Section 1.148-3 of the Regulations. For purposes of such Regulations, the computation dates shall be June 30, 2005, and June 30 of every fifth year thereafter until all of the Series A Bonds have been discharged within the meaning of said Regulations.

(C) The Corporation covenants that it will engage professionally competent advisors recognized in the field of municipal finance and arbitrage rebate computation to assist it in complying with the arbitrage rebate computations required by Section 148 of the Code and by this Section.

(D) To the extent of any conflict between this Section 501 and any Letter of Instructions respecting the method of calculating any amount to be rebated to the United States, the Letter of Instructions shall control.

Section 502 - Tax Covenants. (A) The Corporation shall not directly or indirectly use or permit the use of any proceeds of the Series A Bonds or any other funds of the Corporation or take or omit to take any action that would cause the Series A Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations promulgated thereunder. To that end, the Corporation will comply with all requirements of Section 148(a) of the Code to the extent applicable to the Series A Bonds. In the event that for purposes of this Section 502 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Corporation shall so instruct the Trustee in writing, and the Trustee shall take such action as directed. The Corporation specifically covenants that the Corporation will pay or cause to be paid to the United States at the times and in the amounts determined under this Supplemental Indenture the rebate amounts described herein. The Corporation further covenants and agrees that it will take all action necessary to assure that interest on the Series A Bonds shall be excludable from gross income for purposes of Federal income taxation.

(B) Terms used in this Section and not otherwise defined herein shall have the meanings assigned to such terms under the Code and Regulations.

## ARTICLE VI RIGHTS OF THE BOND INSURER

The provisions of Sections 601 shall remain in effect so long as the Municipal Bond Insurance Policy shall be in effect.

Section 601 - Capital Reserve Fund. The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any Credit Enhancement provided in lieu of a cash deposit into the Capital Reserve Fund. In addition, if the Corporation fails to comply with the certification requirement of Section 709(b) of the Indenture, the Bond Insurer shall be entitled to direct the Trustee to exercise remedies of enforcement found in Section 1003(A)(i) of the Indenture.

Section 602 - Voting Right or Privilege. The Bond Insurer shall be deemed to be the sole holder of the Series A Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series A Bonds are entitled to take pursuant Article IX and Article X of the Indenture.

Section 603 - Acceleration. Payment of the Series A Bonds insured by the Bond Insurer shall not be accelerated without the consent of the Bond Insurer. In the event payment of the Series A Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay the accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Corporation) and the Trustee shall be

required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Municipal Bond Insurance Policy with respect to such Series A Bonds shall be fully discharged.

Section 604 - Covenant Default. No grace period for a covenant default shall exceed 30 days, nor be extended for more than 60 days, without the prior written consent of the Bond Insurer.

Section 605 - Third Party Beneficiary. The Bond Insurer is deemed a third party beneficiary to the Indenture so long as the Series A Bonds are insured by the Bond Insurer.

Section 606 - Amendment or Modification to Indenture. No modification or amendment to the Indenture or this First Supplemental Indenture may become effective except upon obtaining the prior written consent of the Bond Insurer. Copies of any modification or amendment to the Indenture or this First Supplemental Indenture shall be sent to Fitch and Standard & Poor's at least 10 days prior to the effective date thereof.

Section 607 - Event of Default. Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or the occurrence and continuance of an event which with notice or lapse of time or both would constitute an Event of Default amounts on deposit in the Series A State Projects Account shall not be disbursed but shall instead be applied to the payment of debt service or redemption price of the Series A Bonds.

Section 608 - Rights of the Bond Insurer. The rights granted to the Bond Insurer under the Indenture and this First Supplemental Indenture to request, consent to, or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent of the Bond Insurer.

Section 609 - Defeasance of the Series A Bonds. The Series A Bonds shall be defeased in the manner set forth in Section 1201 of the Indenture, provided however, so long as the Series A Bonds are insured by the Bond Insurer, the following additional requirements must also be satisfied unless otherwise approved by the Bond Insurer:

(A) The Corporation irrevocably sets aside in a special account the following investment securities pledged to affect such redemption or retirement of the Series A



Bonds: (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by Standard & Poor's and Moody's, respectively or (5) securities eligible for "AAA" defeasance under then existing criteria of Standard & Poor's or any combination thereof;

(B) The Corporation secures a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Bond Insurer (the "Accountant") verifying the sufficiency of the escrow established to pay the Series A Bonds in full on the maturity or redemption date (the "Verification");

(C) The Bond Insurer accepts the form and substance of the escrow deposit agreement;

(D) A defeasance opinion of nationally recognized bond counsel is rendered in connection with the redemption or retirement of the Series A Bonds; and

(E) The Trustee shall execute a certificate of discharge in connection with the redemption or retirement of the Series A Bonds.

The Bond Insurer shall be provided with final drafts of the items (B) - (E) above not less than five Business Days prior to funding the defeasance escrow.

Section 610 - Bond Insurer Payments. Amounts paid by the Bond Insurer under the Municipal Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and shall remain outstanding and continue to be due and owing until paid by the Corporation in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

Section 611 - Corporation and Trustee Covenants. The Corporation and the Trustee hereby covenant and agree to take such action as is necessary from time to time to preserve the priority of the pledge of Trust Estate under applicable law.

Section 612 - Claims Upon the Municipal Bond Insurance Policy and Payments by and to the Bond Insurer. If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on

deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Series A Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series A Bonds due on such Payment Date, the Trustee shall make a claim under the Municipal Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series A Bonds and the amount required to pay principal of the Series A Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Municipal Bond Insurance Policy.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Series A Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Municipal Bond Insurance Policy the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Series A Bonds under the sections hereof regarding payment of Series A Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth in the Indenture, and to the extent permitted by law, in the event amounts paid under the Insurance Policy are applied to claims for payment of principal of or interest on the Series A Bonds, interest on such principal of and interest on such Series A Bonds shall accrue and be payable from the date of such payment at the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank or its successor at its principal office in the City of New York, as its prime or base lending rate plus 3%, and (ii) the then applicable rate of interest on the Series A Bonds provided that in no event

shall such rate exceed the maximum rate permissible under applicable usury or similar laws limiting interest rates.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

Section 613 - Bond Insurer Payments. The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy. The obligations to the Bond Insurer shall survive discharge or termination of the Indenture.

Section 614 - Reimbursement to Bond Insurer. To the extent permitted by law, the Corporation shall pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Indenture; (ii) the pursuit of any remedies under the Indenture or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture whether or not executed or completed, (iv) the violation by the Corporation of any law, rule or regulation, or any judgment, order or decree applicable to it, or (v) any litigation or other dispute in connection with the Indenture or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Municipal Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture.

Section 615 - Application of Fund Upon Default. After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to payment of expenses of the Corporation or rebate only after the payment of debt service due, and past due, on the Series A Bonds, together with replenishment of the Capital Reserve Fund.

Section 616 - Payments By the Bond Insurer. The Bond Insurer shall be entitled to pay principal or interest on the Series A Bonds that shall become Due for Payment but shall be unpaid by reason of nonpayment by the Corporation (as such terms are defined in the Municipal Bond Insurance Policy) and any amounts due on the Series A Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Bond Insurer has received a notice of nonpayment (as such terms are defined in the Municipal Bond Insurance Policy) or a claim upon the Municipal Bond Insurance Policy.

Section 617 - Address of Bond Insurer. The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director- Surveillance, Re: Policy No. , Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 618 - Submission of Information to Bond Insurer. The Bond Insurer shall be provided with the following information:

- (i) Annual audited financial statements within 150 days after the end of the Corporation's fiscal year (together with a certification of the Corporation that it is not aware of any default or Event of Default under the Indenture), and the Corporation's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;
- (ii) Notice of any draw upon the Capital Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Capital Reserve Requirement and (ii) withdrawals in connection with a refunding of Series A Bonds;
- (iii) Notice of any default known to the Trustee or the Corporation within five Business Days after knowledge thereof;
- (iv) Prior notice of the advance refunding or redemption of any of the Series A Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) Notice of the commencement of any proceeding by or against the Corporation commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series A Bonds; and

- (viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Indenture, other than a Supplemental Indenture authorizing a new Series of Bonds.

Section 619 - Trustee's Consideration. In determining whether any amendment, consent or other action to be taken, or any failure to act, under the Indenture would adversely affect the security for the Series A Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, action or inaction as if there were no Municipal Bond Insurance Policy.

Section 620 -Written Consent. (i) The Corporation shall secure the written consent of the Bond Insurer prior to the following events:

- (a) issuance of Additional Bonds;
- (b) release of Excess Coverage; or
- (c) sale of any Pledged Loan at a price lower than the principal amount thereof.

The Corporation shall also provide the Trustee with Rating Confirmation prior to the occurrence of the events described above.

- (ii) No contract shall be entered into nor any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Series A Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

Section 621 Shadow Rating. For purposes of the Series A Bonds, the rating provided to the Bond Insurer (as described in the last sentence of the definition of Rating Confirmation) shall mean an "A" rating by S&P and Fitch, or such other rating as shall be agreed to by the Corporation and the Bond Insurer.

## ARTICLE VII MISCELLANEOUS

### Section 701 - [RESERVED].

Section 702 - No Recourse Against Members or Other Persons. No recourse shall be had for the payment of the principal of or interest on the Series A Bonds or for any claim based thereon or on this Supplemental Indenture against any member of the Corporation or any person executing the Series A Bonds and neither the members of the Corporation nor any person executing the Series A Bonds shall be liable personally on the Series A Bonds or be subject to any personal liability or accountability by reason of the execution thereof.

### Section 703 - [RESERVED].

Section 704 - Reports; Future Issues; Continuing Disclosure. (A) As long as Fitch or Standard & Poor's Ratings Group is a Rating Agency with respect to the Series A Bonds, the Corporation covenants to provide Fitch or Standard & Poor's Ratings Group, respectively, with reasonably requested and required reports concerning the Corporation's finances and operations in a timely manner, provided that the request for any such report is in writing and is specific.

(B) As long as Standard & Poor's Ratings Group is a Rating Agency with respect to the Series A Bonds, the Corporation covenants to provide Standard & Poor's Ratings Group, prior to all future bond issues under the Indenture, with all reasonably required information necessary for Standard & Poor's Ratings Group to review and affirm their rating on the Series A Bonds.


(C) The Corporation hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Supplemental Indenture or of the Indenture, failure of the Corporation to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, at the request of any Purchaser or the holders of at least 25% aggregate principal amount of Outstanding Series A Bonds and upon receipt of indemnity satisfactory to it and payment of its fees and expenses, including attorneys fees, or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Corporation to comply with its obligations under this Section 704(C).

### Section 705 - [RESERVED].

Section 706 - Effective Date. This First Supplemental Indenture shall be effective as of the date first above written.

IN WITNESS WHEREOF, the ALASKA STUDENT LOAN CORPORATION has caused this Supplemental Indenture to be executed by its Executive Officer, and U.S. BANK NATIONAL ASSOCIATION has caused this Supplemental Indenture to be executed by an authorized representative, all as of the day and year first above written.

ALASKA STUDENT LOAN CORPORATION

By   
DIANE BARRANS  
Executive Officer

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By   
GREG SKUTNIK  
Assistant Vice President